

Message Text

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ACTION COME-00

INFO OCT-01 AF-10 ISO-00 EB-08 /019 W
-----097601 081003Z /11

R 070821Z JUN 78

FM AMEMBASSY KIGALI

TO SECSTATE WASHDC 6212

INFO USUN NEW YORK 497

C O N F I D E N T I A L KIGALI 865

E.O. 11652: GDS

TAGS: EFIN, RW

SUBJECT: FINANCE: RWANDAN REQUEST FOR BACKGROUND INFORMATION ON
U.S. FIRM

1. OFFICIAL OF RWANDAN FINANCE MINISTRY SHOWED US LETTER FROM GEORGE ZACK, PRESIDENT OF BLAIR INTERNATIONAL LTD., 866 UNITED NATIONS PLAZA, NEW YORK, N.Y. 10017, CONCERNING POSSIBILITY OF ARRANGING LOAN FOR \$50 MILLION TO GOR. LETTER, DATED APRIL 14, IS ADDRESSED TO MINISTER OF FINANCE WITH COPIES TO MINISTER OF PLAN AND RWANDAN AMBASSADOR TO U.N. KARUHLIE (SIC: KARUHIJE). IT REFERS TO INTEREST IN SUCH LOAN EXPRESSED BY RWANDAN PERMANENT MISSION TO UN, BUT DOES NOT STATE PURPOSE OF LOAN NOR PROSPECTIVE LENDING ORGANIZATION. ACCORDING TO LETTER, PROPOSAL IS AS FOLLOWS:

LOAN AMOUNT: \$50 MILLION;

EMISSION RATE: 100 PERCENT;

INTEREST RATE: 2.5 PERCENT OVER LIBOR, ADJUSTABLE SEMI-ANNUALLY WITH MAXIMUM OF 9.5 PERCENT PAYABLE SEMI-ANNUALLY IN ARREARS;

TERM OF LOAN: TWELVE YEARS;

PRINCIPAL AMOUNT AND REPAYMENT OF PRINCIPLE: 106 PERCENT OF LOAN AMOUNT PAYABLE AT END OF LOAN TERM;

DISCOUNT AND FEES: THREE PERCENT (GUARANTEED BY AN ACCEPTABLE BANK);

GUARANTEE: CENTRAL BANK OF REPUBLIC OF RWANDA.

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ZACK LETTER EXPLAINS FURTHER THAT DURING TERM OF LOAN ONLY INTEREST WILL BE PAID, WITH ENTIRE AMOUNT OF PRINCIPLES(\$53 MILLION) AT END OF TWELVE YEAR TERM.

LETTER INSTRUCTS GOR TO SEND REQUIRED DOCUMENTS THROUGH FINANCING CORPORATION AKTIENGESELLSCHAFT IN ALBUQUERQUE, NEW MEXICO.

2. GOR INFORMALLY AND CONFIDENTIALLY REQUESTS AVAILABLE BACKGROUND INFORMATION ON BLAIR INTERNATIONAL LTD. AND FINANCING CORPORATION AKTIENGESELLSCHAFT DESCRIBED ABOVE, AND ON GEORGE ZACK. EMBASSY WOULD APPRECIATE ANY ADDITIONAL INFORMATION THAT MIGHT BE USEFUL FOR OUR BACKGROUND IN DISCUSSING THIS MATTER WITH MINFIN OFFICIALS. NOTE THAT AMOUNT OF LOAN WOULD BE EQUAL TO VALUE OF RWANDA'S ENTIRE ANNUAL COFFEE CROP THAT ACCOUNTS FOR THREE-QUARTERS OF COUNTRY'S FOREIGN TRADE REVENUE.
CRIGLER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCE, BUSINESS REPUTATION
Control Number: n/a
Copy: SINGLE
Draft Date: 07 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978KIGALI00865
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780239-0573
Format: TEL
From: KIGALI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780687/aaaacwsd.tel
Line Count: 72
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d03f5e90-c288-dd11-92da-001cc4696bcc
Office: ACTION COME
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 27 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2457876
Secure: OPEN
Status: NATIVE
Subject: FINANCE: RWANDAN REQUEST FOR BACKGROUND INFORMATION ON U.S. FIRM
TAGS: EFIN, BBAK, RW
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/d03f5e90-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014